

(1) in paragraph (1), by striking out "State or local government" and all that follows through the period at the end of the first sentence and inserting in lieu thereof "qualified adoption agency"; and

(2) by adding at the end the following new paragraph:

"(3) The term "qualified adoption agency" means any of the following:

"(A) A State or local government agency which has responsibility under State or local law for child placement through adoption.

"(B) A nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption.

"(C) Any other source authorized by a State to provide adoption placement if the adoption is supervised by a court under State or local law."

SEC. 653. WAIVER OF RECOUPMENT OF AMOUNTS WITHHELD FOR TAX PURPOSES FROM CERTAIN SEPARATION PAY.

(1) IN GENERAL.—Section 1174(h)(2) of title 10, United States Code, is amended by inserting before the period at the end of the first sentence the following: ". less the amount of Federal income tax withheld from such pay (such withholding being at the flat withholding rate for Federal income tax withholding, as in effect pursuant to regulations prescribed under chapter 24 of the Internal Revenue Code of 1986)".

(2) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1996, and shall apply to payments of separation pay, severance pay, or readjustment pay that are made after September 30, 1996.

SEC. 664. TECHNICAL CORRECTION CLARIFYING LIMITATION ON FURNISHING CLOTHING OR ALLOWANCES FOR ENLISTED NATIONAL GUARD TECHNICIANS.

Section 418(c) of title 37, United States Code, is amended by striking out "for which a uniform allowance is paid under section 415 or 416 of this title" and inserting in lieu thereof "for which clothing is furnished or a uniform allowance is paid under this section".

SEC. 655. TECHNICAL CORRECTION TO PRIOR AUTHORITY FOR PAYMENT OF BACKPAY TO CERTAIN PERSONS.

Section 634 of the National Defense Authorization Act for Fiscal

Year 1996 (Public Law 104-106; 110 Stat. 366) is amended—

(3) in subsection (b)(1), by striking out "Island of Bataan" and inserting in lieu thereof "peninsula of Bataan or island of Corregidor"; and

(4) in subsection (c), by inserting after the first sentence the following: "For the purposes of this subsection, the Secretary of War shall be deemed to have determined that conditions in the Philippines during the specified period justified payment under applicable regulations of quarters and subsistence allowances at the maximum special rate for duty where emergency conditions existed."